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A concise easily digested periodic analysis based upon scientific research in real estate fundamentals and trends....Constantly measuring and reporting the basic economic factors responsible for changes in trends and values .... Current Studies .... Survey .... Forecasts

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REAL ESTATE ECONOMISTS, APPRAISERS AND COUNSELORS

RENTS, WAGES AND THE COST OF LIVING

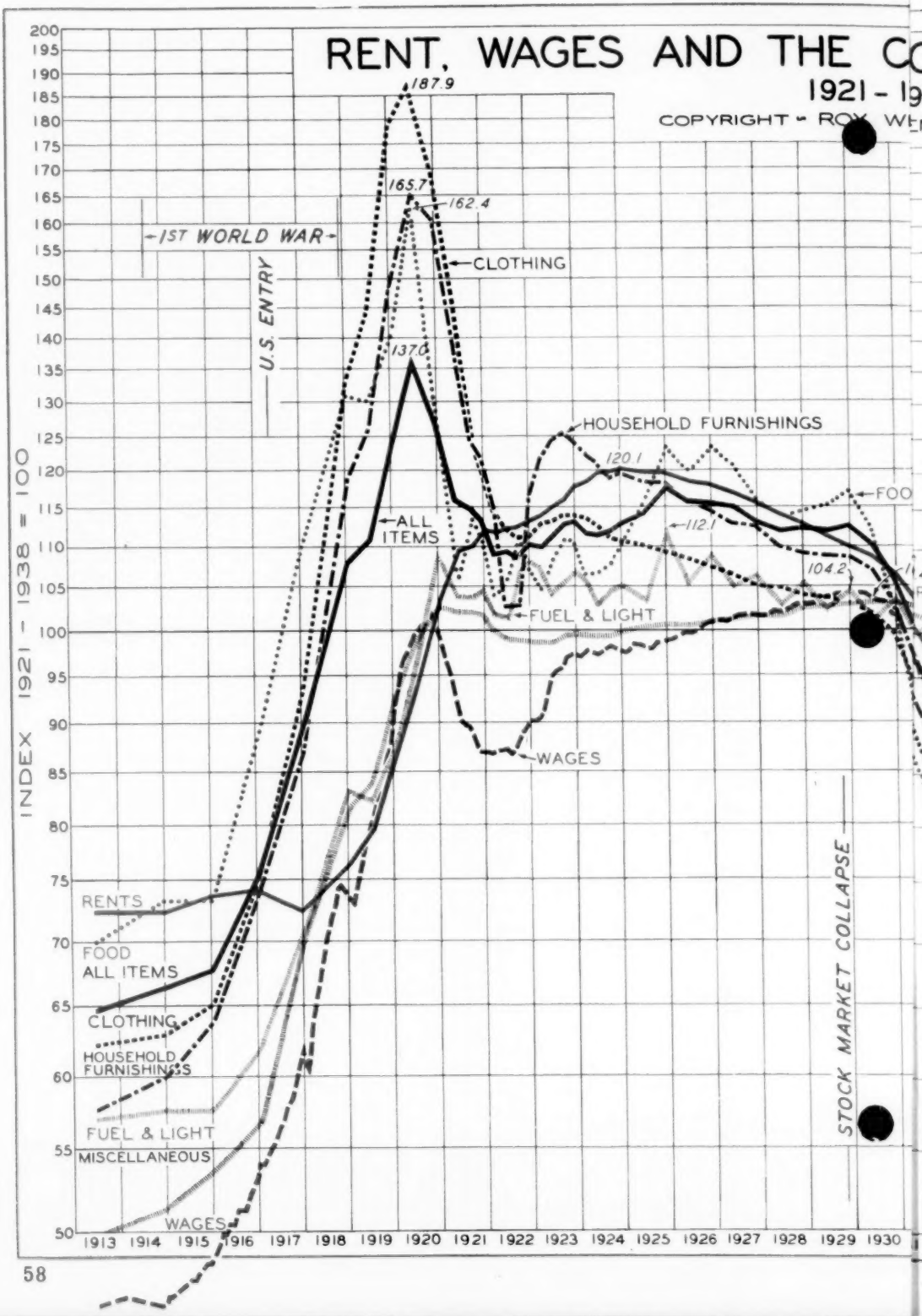
THE chart on pages 58 and 59 shows that rents are still lagging far behind the rises in the other cost of living items and the rises in wages. We have used the familiar 1921-1938 period as the base for comparing the trend of residential rents with the trends shown by the other items on the chart. This base period containing nine good years and nine bad is approximately the length of the average real estate cycle. We believe that this base is the fairest and most realistic one for making such comparisons.

Still more stringent rent control legislation is now under proposal before Congress. If this legislation passes, hotel apartments will go back under controls at ceilings that were in force at the time of their decontrol. Dwellings that were leased with a 15% rent increase are to be recontrolled at the leased rental; owner-occupied homes that were not rented during the period from February 1, 1945, through March 30, 1948, will be controlled if offered for rent.

These new provisions will cause still more uncertainty among owners of rentable property and are sure to further dampen any desire on the part of entrepreneurs to erect rental units. It seems to us that the recontrol of hotel apartments is particularly unfair to the recent purchasers of this type of property. No doubt a considerable number of these buildings were purchased after their decontrol at prices based on a higher rental schedule. A substantially lower rental seems certain to drastically reduce the net income of these buildings, and it is not inconceivable that some of them may be forced into foreclosure. Placing the leased units back under control after promising their release is still another act of bad faith on the part of the government. Granted that most of the landlords who obtained leases and higher rentals are better off than before, there is a distinct possibility that many of them would have sold their properties had they known that controls were to be reimposed.

It is just such governmental action as these contemplated rent control changes that has kept business men in a constant guessing game during the last ten or fifteen years.

Apparently the wage-price spiral has stopped, and the chief worry now seems to be that it will reverse itself into a tailspin. We doubt whether 1949 will see a recession of serious proportions, but as we pointed out in our January issue, we do expect a continued slow falling off for most of this year.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ALL ITEMS
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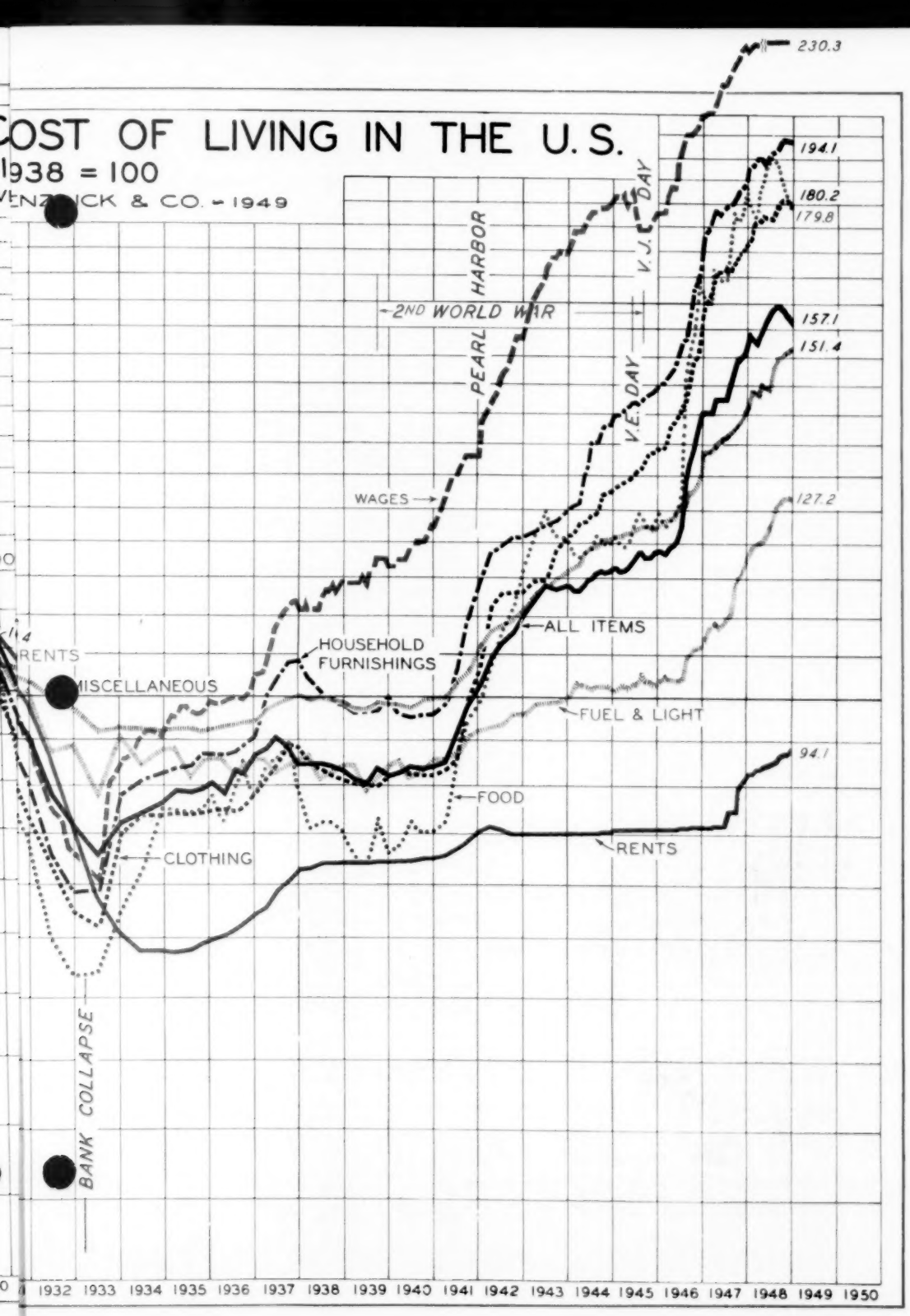
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HOUSEHOLD FURNISHINGS
MISCELLANEOUS
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RENTS
BANK COLLAPSE
1932 1933 1934 1935 1936 1937 1938 1939 1940 1941 1942 1943 1944 1945 1946 1947 1948 1949 1950

RENT, WAGES AND THE COST OF LIVING IN THE UNITED STATES

1921 - 1938 = 100

Date	All Items	Food	Clothing	Rent	Fuel, Ice, & Elec.	Housefurnishings	Misc.	Wages
1913 Year	64.8	70.1	62.4	72.6	57.1	57.7	50.0	45.9
1914 Dec. 15	66.5	73.5	63.0	72.6	57.7	60.1	51.5	46.3
1915 Dec. 15	67.8	73.5	65.2	73.8	57.7	63.9	53.7	48.6
1916 Dec. 15	75.5	88.3	74.9	74.3	62.0	73.7	56.7	54.1
1917 Dec. 15	89.5	110.1	93.0	72.7	70.9	86.9	70.3	62.4
1918 Dec. 15	108.1	131.2	133.0	76.5	83.5	118.3	81.7	77.1
1919 June 15	110.9	130.3	144.1	79.5	82.5	125.8	84.0	80.8
Dec. 15	124.0	140.5	178.8	86.3	87.5	148.9	92.7	91.3
1920 June 15	137.0	162.4	187.9	93.8	96.7	165.7	99.0	99.6
Dec. 15	126.9	128.6	169.0	103.6	109.9	160.5	102.9	99.8
1921 May 15	116.0	108.3	145.4	109.8	104.1	138.2	102.3	91.7
Sept. 15	114.9	113.5	135.5	110.3	104.0	124.8	102.3	88.7
Dec. 15	113.2	110.8	120.2	112.1	105.0	121.5	101.8	87.0
1922 Mar. 15	109.3	104.0	114.7	111.8	102.0	114.8	100.0	87.1
June 15	109.5	106.2	112.3	112.2	101.6	102.9	99.1	87.4
Sept. 15	108.8	111.1	111.2	112.5	106.9	103.0	99.0	88.7
Dec. 15	110.3	107.5	111.3	113.2	108.3	116.6	98.8	90.3
1923 Mar. 15	110.1	105.0	113.0	113.8	107.6	121.8	98.8	91.5
June 15	111.3	108.6	113.2	115.0	104.6	124.4	98.8	95.6
Sept. 15	112.9	111.1	114.0	116.0	105.8	125.5	99.5	97.2
Dec. 15	113.2	110.6	114.0	117.8	107.1	124.4	99.8	97.6
1924 Mar. 15	111.8	106.6	113.7	118.5	105.9	122.5	99.5	98.0
June 15	111.6	106.8	112.7	119.7	103.3	121.2	99.6	97.4
Sept. 15	112.0	108.0	111.3	119.9	104.8	119.2	99.6	98.3
Dec. 15	113.0	110.5	110.8	120.1	105.4	119.8	100.0	98.0
1925 June 15	114.4	115.8	110.3	119.9	103.9	118.6	100.6	98.3
Dec. 15	117.8	129.3	109.6	119.7	112.1	118.4	100.9	99.0
1926 June 15	115.9	120.0	108.7	118.6	105.9	115.8	100.8	99.8
Dec. 15	115.6	123.4	107.6	118.1	109.4	114.7	101.1	101.1
1927 June 15	115.2	120.6	106.7	117.0	105.3	112.9	101.4	101.6
Dec. 15	113.2	116.2	105.2	115.7	106.7	112.5	101.8	101.6
1928 June 15	112.0	113.8	105.0	114.0	103.3	110.1	101.8	102.2
Dec. 15	112.3	114.6	104.3	112.9	105.7	109.4	102.7	102.7
1929 June 15	112.0	115.3	103.9	111.3	102.7	109.0	102.9	103.7
Dec. 15	112.6	117.3	103.2	110.1	104.8	108.8	103.1	104.2
1930 June 15	110.3	113.4	102.3	108.7	101.5	107.2	103.4	103.6
Dec. 15	105.6	102.2	98.5	106.3	103.8	103.0	103.1	101.7
1931 June 15	99.2	89.6	93.2	103.0	99.2	95.8	102.6	99.6
Dec. 15	95.5	84.7	86.7	99.0	100.9	90.5	101.8	95.0
1932 June 15	89.2	75.3	82.0	92.8	93.8	82.8	100.1	87.8
Dec. 15	85.7	72.0	77.5	85.8	94.6	79.4	98.5	83.1
1933 June 15	83.2	72.2	76.3	78.9	89.7	79.6	96.2	80.7
Dec. 15	86.1	77.3	85.0	75.5	95.9	89.0	96.5	91.5
1934 June 15	87.3	81.7	87.0	74.0	92.6	90.7	96.3	95.2
Nov. 15	88.2	83.7	86.9	74.0	94.0	91.4	96.2	95.7
1935 Mar. 15	89.6	87.5	87.1	73.9	94.3	92.0	96.5	97.8
July 15	89.4	87.2	87.0	74.1	91.4	92.3	96.6	98.4
Oct. 15	89.8	87.7	87.2	74.5	92.8	93.5	96.3	98.1
1936 Jan. 15	90.6	89.0	87.6	74.9	93.0	93.6	96.5	99.4
Apr. 15	89.6	86.3	87.7	75.2	93.0	93.5	96.7	99.1
July 15	92.0	90.9	87.5	76.0	91.5	93.7	97.0	100.1
Sept. 15	91.8	92.0	87.8	76.5	92.3	94.4	97.3	99.9
Dec. 15	93.3	89.1	89.2	77.3	92.8	95.6	97.4	102.5

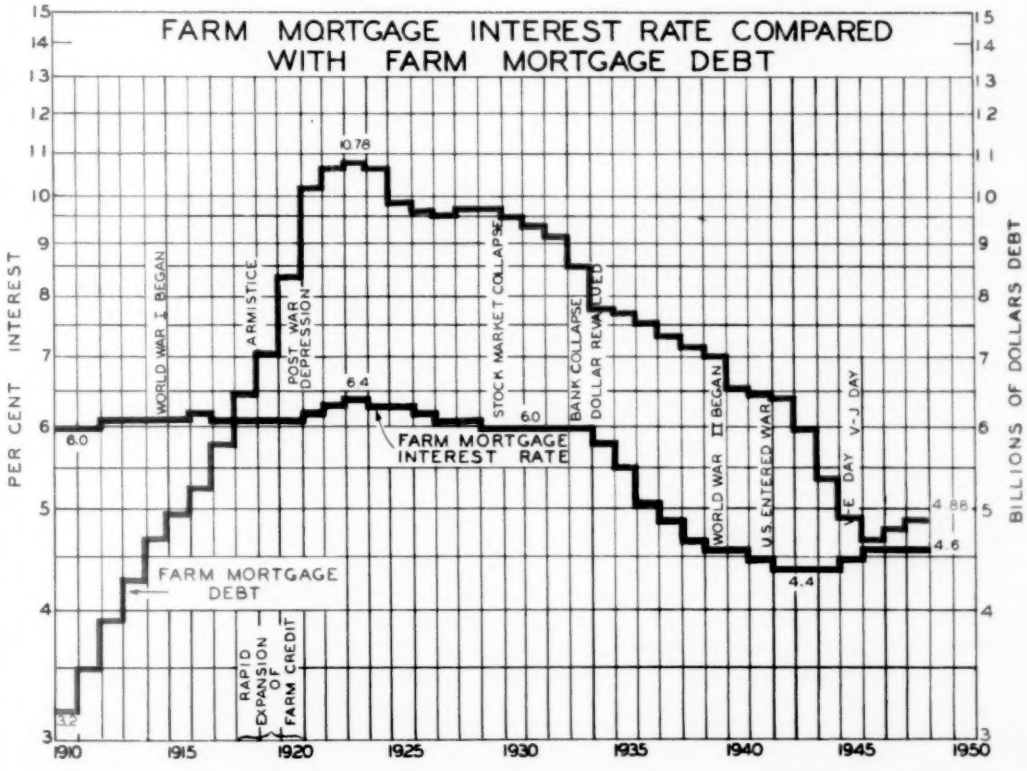
Date	All Items	Food	Clothing	Rent	Fuel, Ice, & Elec.	Housefurnishings	Misc.	Wages
1937 Mar. 15	94.1	92.1	90.8	77.9	93.0	100.2	98.5	103.7
June 15	95.6	93.0	92.3	79.5	91.6	102.0	99.2	108.8
Sept. 15	94.4	94.6	94.6	80.5	92.3	104.1	100.0	110.7
Dec. 15	92.5	90.0	94.3	81.6	92.9	104.4	100.3	111.9
1938 Mar. 15	92.5	85.5	92.6	81.8	93.5	102.2	99.9	112.3
June 15	92.5	86.2	92.0	82.1	91.0	100.8	100.1	111.1
Sept. 15	92.3	86.1	91.3	82.1	91.6	99.5	99.9	113.4
Dec. 15	91.8	85.3	90.8	82.2	92.3	99.3	99.4	114.8
1939 Mar. 15	90.8	83.0	90.4	82.2	92.4	98.5	98.8	114.6
June 15	90.4	82.0	90.3	82.2	90.0	98.3	98.7	115.7
Sept. 15	92.1	86.3	90.3	82.3	91.0	98.7	99.5	115.7
Dec. 15	91.3	83.2	91.2	82.3	92.2	100.2	99.3	116.0
1940 Mar. 15	91.5	83.9	91.8	82.4	92.8	98.1	99.2	116.9
June 15	92.1	86.2	91.5	82.4	91.0	97.8	98.9	118.0
Sept. 15	92.0	85.3	91.4	82.5	91.6	98.0	99.8	120.4
Dec. 15	92.2	85.3	91.4	82.6	93.0	98.1	100.1	122.7
1941 Mar. 15	92.7	86.3	91.9	82.8	93.0	99.1	100.2	125.0
June 15	95.9	92.9	93.0	83.4	93.6	103.0	101.8	129.6
Sept. 15	99.0	97.2	99.5	84.1	95.6	109.6	103.2	131.9
Dec. 15	101.3	99.3	103.1	85.2	96.2	114.1	105.9	136.7
1942 Mar. 15	104.8	104.0	111.1	85.7	96.5	118.6	108.3	141.2
June 15	108.7	108.2	112.8	85.5	96.9	119.6	109.0	145.8
Sept. 15	107.9	111.0	113.0	85.1	98.1	120.8	109.6	149.3
Dec. 15	110.4	116.3	113.1	85.1	98.1	120.9	111.0	155.1
1943 Mar. 15	112.3	120.7	114.7	85.1	99.2	121.8	112.7	160.9
June 15	114.2	124.3	114.8	85.1	99.4	122.6	113.8	164.3
Sept. 15	113.6	120.6	119.2	85.1	99.4	123.3	151.1	169.0
Dec. 15	114.1	120.3	121.0	85.1	101.0	125.0	116.1	170.1
1944 Mar. 15	113.4	117.7	123.0	85.1	101.5	126.1	117.1	174.8
June 15	115.0	118.9	124.2	85.1	101.2	135.3	119.6	177.1
Sept. 15	116.0	120.3	127.2	85.2	101.4	137.5	120.4	178.2
Dec. 15	116.4	120.5	128.1	85.4	101.0	139.8	121.1	180.5
1945 Mar. 15	116.2	119.2	129.2	85.4	101.6	141.2	121.6	181.7
June 15	118.1	123.9	130.7	85.4	101.7	142.2	122.1	182.9
Sept. 15	118.0	122.2	133.1	85.4	102.0	143.1	122.6	174.8
Dec. 15	119.0	124.0	134.4	85.4	101.9	145.0	122.7	178.2
1946 Mar. 15	119.4	123.0	137.8	85.4	102.0	146.9	123.9	181.7
June 15	122.2	127.8	141.3	85.5	102.0	152.7	125.9	188.6
Sept. 15	133.6	152.9	149.0	85.6	105.7	161.9	127.9	195.6
Dec. 15	140.6	163.0	158.8	85.6	106.8	173.0	134.0	200.2
1947 Jan. 15	140.3	161.0	160.0	85.6	108.2	174.1	134.2	200.2
Feb. 15	140.2	160.0	162.0	85.7	108.3	175.1	134.2	201.4
Mar. 15	143.1	166.0	165.7	85.8	108.4	178.0	136.0	202.5
Apr. 15	143.0	164.9	165.9	85.8	109.2	178.0	137.0	202.5
May 15	142.7	164.2	165.8	86.0	108.4	177.1	136.2	206.0
June 15	144.0	166.1	167.0	86.0	108.7	178.5	136.8	208.3
July 15	145.2	169.6	166.1	86.6	110.3	180.2	137.2	208.3
Aug. 15	146.8	172.3	167.2	87.6	114.3	180.1	137.5	210.6
Sept. 15	149.9	178.6	168.7	89.4	115.1	183.3	138.4	212.9
Oct. 15	150.2	176.8	170.0	90.5	115.6	183.6	139.4	214.1
Nov. 15	151.2	177.8	171.0	90.7	117.2	184.6	140.6	216.4
Dec. 15	153.1	181.5	171.9	90.9	118.0	187.1	142.0	219.9
1948 Jan. 15	154.7	183.9	172.8	91.3	119.6	188.0	144.0	217.6
Feb. 15	153.5	179.6	175.5	91.3	120.0	188.7	144.9	218.7
Mar. 15	153.0	177.5	176.5	91.6	120.3	190.5	143.8	219.9
Apr. 15	155.2	182.4	176.6	91.6	120.7	190.3	145.3	219.9
May 15	156.3	185.0	177.6	91.9	121.7	189.2	145.0	222.2
June 15	157.4	187.8	177.1	92.1	122.4	190.4	145.0	224.5
July 15	159.2	190.2	177.2	92.4	124.5	191.4	148.3	226.8
Aug. 15	159.9	190.0	179.6	92.7	126.3	191.9	149.9	230.3
Sept. 15	159.9	188.8	180.8	93.3	126.8	193.6	150.1	230.3
Oct. 15	159.1	185.5	181.3	93.5	127.2	194.3	151.1	230.3
Nov. 15	157.8	182.0	181.1	93.5	127.3	194.2	151.3	230.3
Dec. 15	157.1	179.8	180.2	94.1	127.2	194.1	151.4	

FARM DEBT SHOWS A SLIGHT INCREASE

WHILE farm debt showed a slight increase in 1948 over 1947, the average interest rates on farm mortgages moved sideways for the third straight year at 4.6%. The farm debt in January 1947 stood at $4.78 billion, and by January 1948 had risen fractionally to $4.88 billion. The percentage of farm debt to farm value fell, however, to a new low of 7.5%.

The farm financing picture seems to be on a very sound basis - much sounder than it has been for many years. One very striking contrast that may be made between the present boom and the boom of the twenties is in the course of farm mortgage debt during the two periods. The chart below shows the steep climb taken by farm debt during almost the entire portion of the last boom and the steady drop in farm debt that has occurred during the present boom. Farm interest rates have been very stable for about the last 10 years and we expect them to continue to follow this trend for at least the next two or three, with a very good chance of a slight upward drift. Although some anxiety has been expressed concerning the future of farm income and farm values, as an industry farming is probably on a firmer footing (or floor) than any other segment of our national economy.

The price supports of farm products, the small debt load at low interest rates and the strong cash position of farmers in general will forestall any serious farm depression in the foreseeable future.



PREWAR SEASONAL PATTERNS ARE RETURNING

SINCE prewar seasonal patterns are returning to many lines, we feel that there is a distinct chance they will return to the real estate and construction fields also. We have, therefore, prepared charts on 36 major cities showing the prewar seasonal patterns in these cities for real estate and construction activity. A return to seasonal trends in real estate activity will also hasten the return of this pattern to the field of real estate financing. These charts appear on pages 63 through 65.

The charts are drawn to show the percentage of normal activity that took place each month during the prewar period. A reading of 100 on the chart indicates an average month, while a reading of 88 means that the month is 12% below average and a reading of 130 shows a month 30% above average.

All of the cities show February as a month of low real estate activity. In fact, half of the cities record February as the lowest month in their prewar seasonal pattern. There are several possible reasons for this. For one, February is the shortest month; secondly, the weather is generally unfavorable except in the South and certain parts of the Southwest and West; and thirdly, February is quite close to spring, the time when most people generally begin house hunting. There also seems to be a tendency for November to be a declining month of real estate activity since all 36 cities except Miami show this trend.

In several cities, Tulsa, Oklahoma City, Duluth, Minneapolis and Philadelphia, the prewar seasonal indicates that December is the month with the highest number of transfers. This is a misleading picture due to the fact that in these cities many deeds are filed at the last minute in order to beat the tax deadline or to take advantage of homestead exemption laws.

For example, in Philadelphia the entire year's taxes are due on January 1 and most of the recording is done by title insurance companies and banks who make a special effort to record the transfers before the end of the year. This frequently results in the well-known "last-minute rush." In Tulsa and Oklahoma City, the property owner to receive the benefits of the Homestead Exemption Law must hold title to the property on the first day of January. The State of Minnesota requires that all real estate taxes be paid in full before deeds are filed. The final payment on taxes may be made during October without penalty. The next year's taxes become due on the first Monday in January. Between the October payment and the next tax requirement date deeds are filed by those who have held them from record because of unpaid taxes or by those who are in a hurry to get in under the deadline.

The construction prewar seasonal pattern is rather violent in several of the cities, with Buffalo, South Bend and Duluth showing the widest swings. As would seem natural, the southern cities show less of a seasonal variation due to their more moderate weather conditions. The lines representing construction activity in New York and Brooklyn show a reverse pattern due to the fact that these lines do not represent building permits but represent "applications filed" rather than permits issued. Some of these applications are cancelled or disapproved, while no action takes place on others. There is no accurate way to develop this informa-

(cont. on page 67)

PREWAR SEASONAL PATTERNS OF CONSTRUCTION AND REAL ESTATE ACTIVITY

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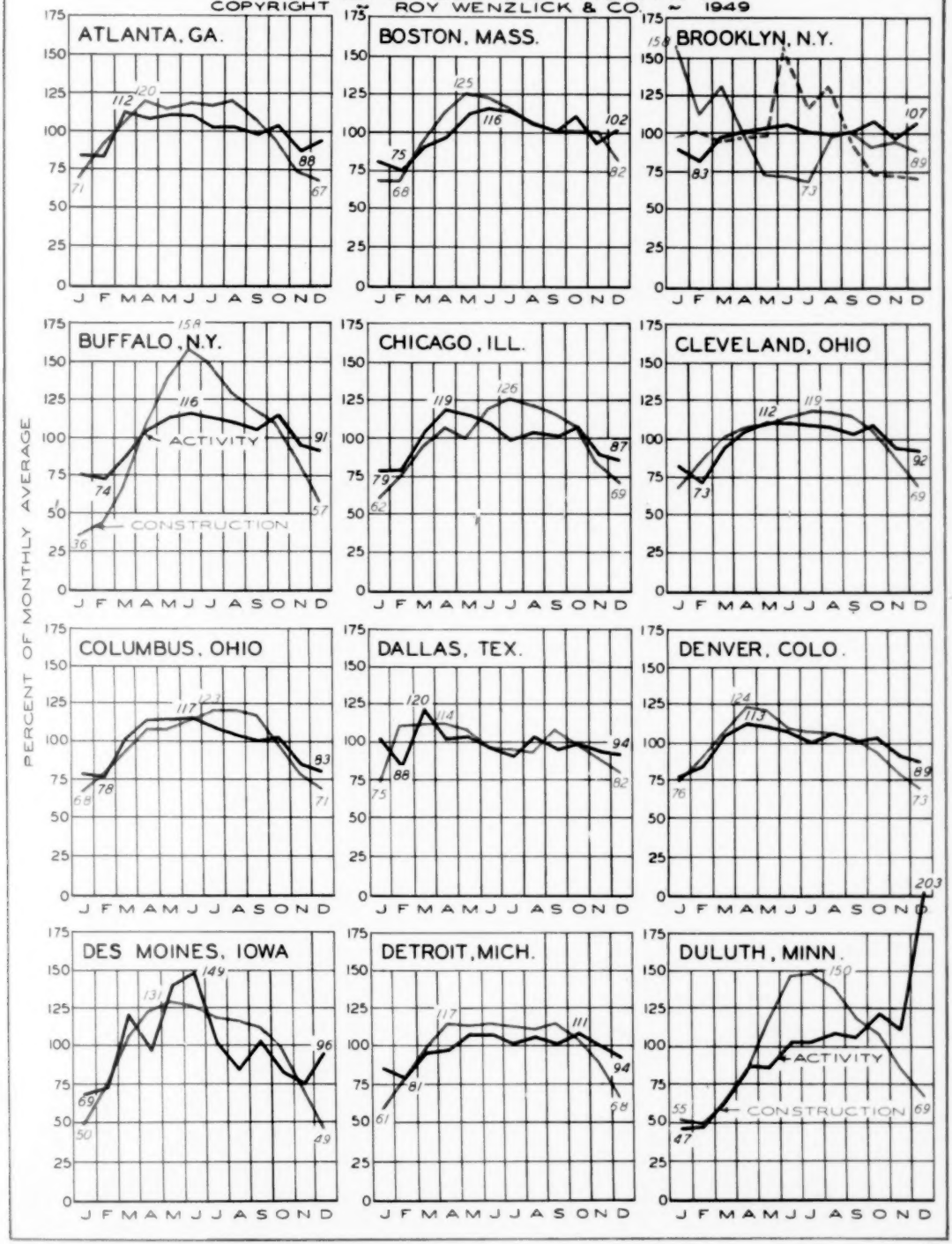

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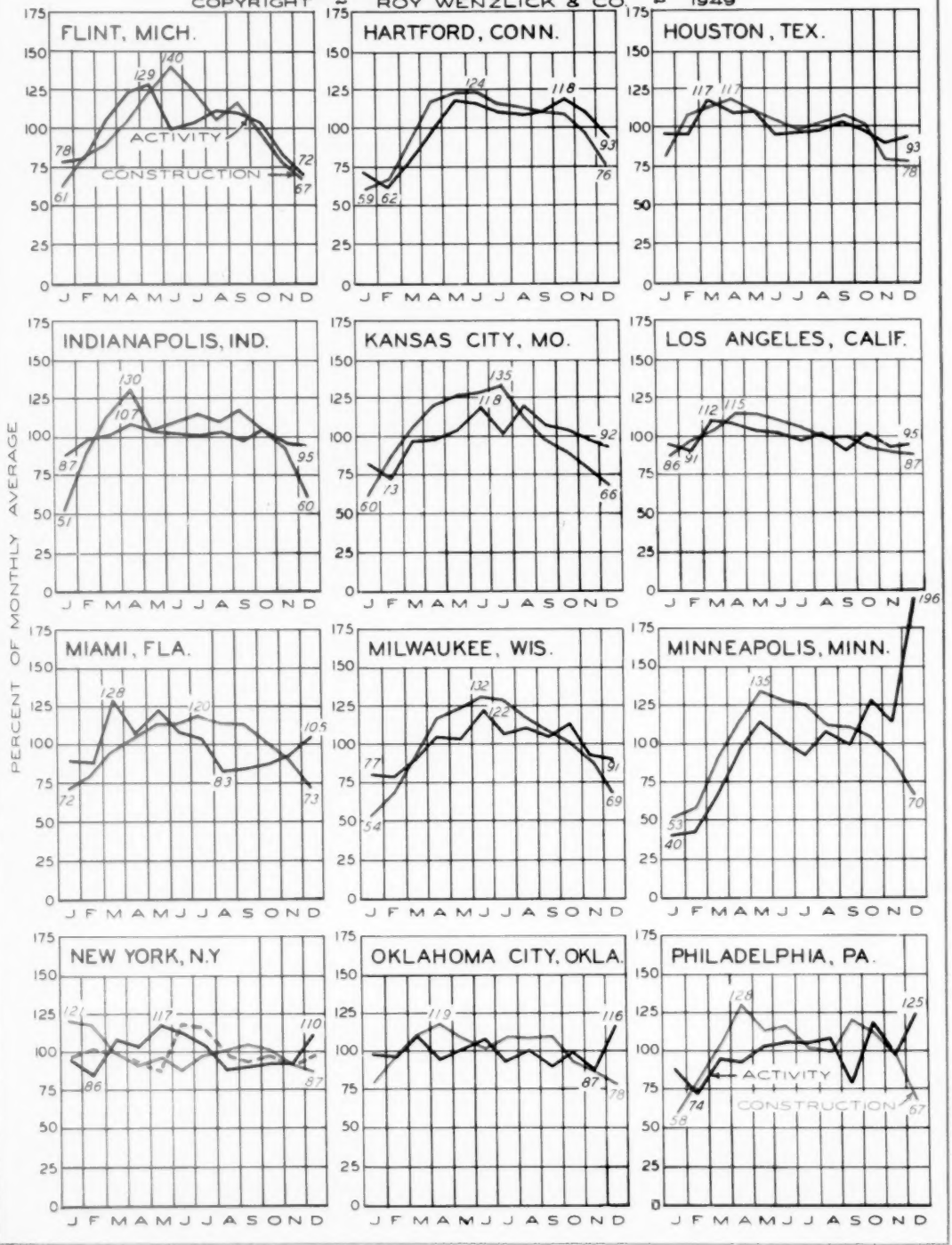

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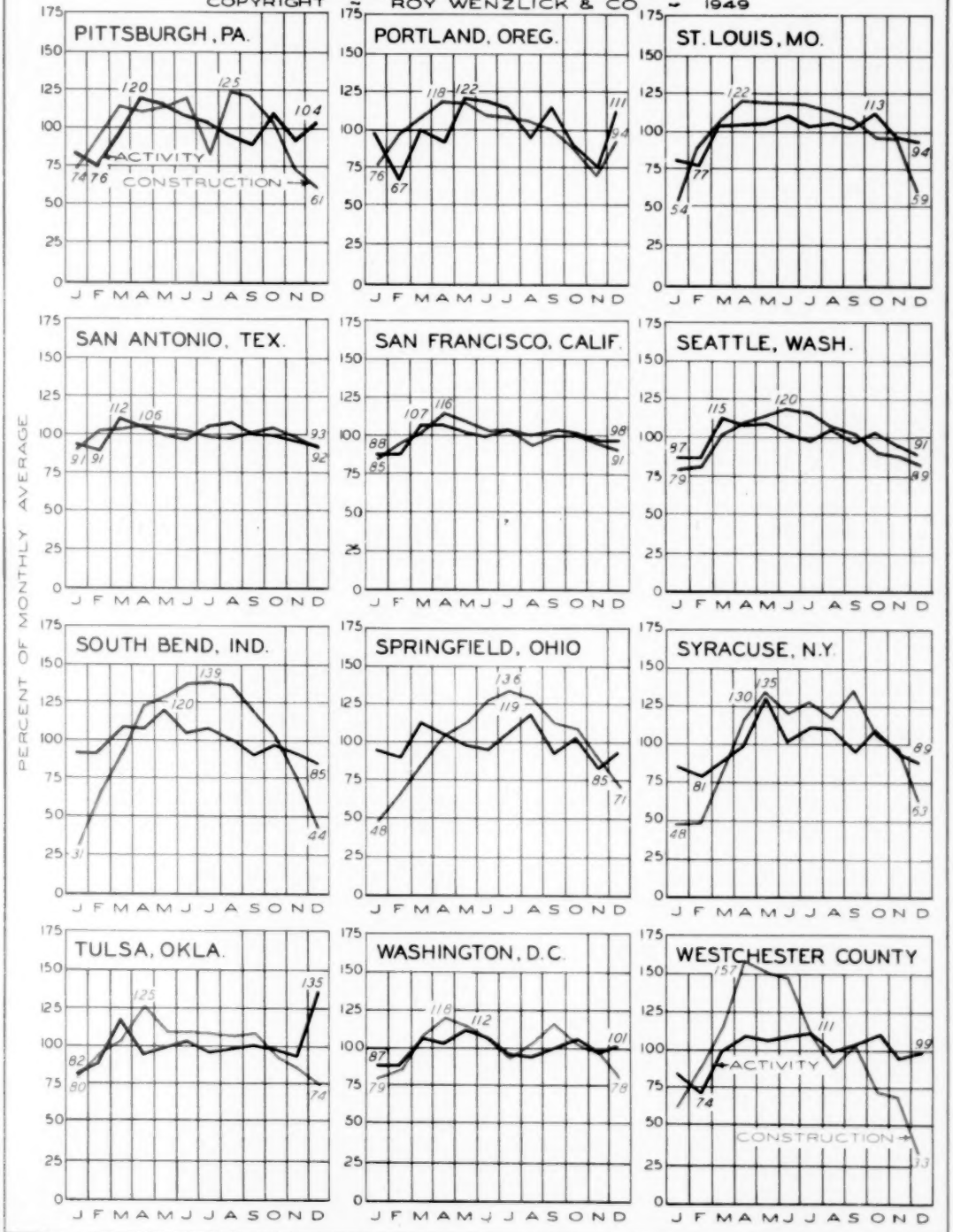


MONTHLY PERCENTAGE OF ANNUAL SALES

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Atlanta, Ga.	**7.5**	**7.4**	**9.8**	**9.4**	**9.5**	**9.4**	**8.5**	**8.4**	**7.9**	**8.2**	**6.8**	**7.2**
" cumulative from Jan. 1	7.5	14.9	24.7	34.1	43.6	53.0	61.5	69.9	77.8	86.0	92.8	100.0
Boston, Mass.	**7.4**	**6.7**	**8.0**	**8.3**	**9.7**	**9.7**	**9.5**	**8.7**	**8.1**	**8.7**	**7.3**	**7.9**
" cumulative from Jan. 1	7.4	14.1	22.1	30.4	40.1	49.8	59.3	68.0	76.1	84.8	92.1	100.0
Brooklyn, N. Y.	**8.2**	**7.4**	**8.6**	**8.7**	**8.9**	**9.0**	**8.4**	**8.2**	**8.1**	**8.6**	**7.7**	**8.2**
" cumulative from Jan. 1	8.2	15.6	24.2	32.9	41.8	50.8	59.2	67.4	75.5	84.1	91.8	100.0
Buffalo, N. Y.	**6.9**	**6.6**	**7.7**	**9.1**	**9.6**	**9.7**	**9.4**	**8.9**	**8.6**	**9.1**	**7.4**	**7.0**
" cumulative from Jan. 1	6.9	13.5	21.2	30.3	39.9	49.6	59.0	67.9	76.5	85.6	93.0	100.0
Chicago, Ill.	**7.1**	**7.1**	**9.2**	**10.3**	**9.8**	**9.2**	**8.3**	**8.5**	**8.2**	**8.6**	**7.0**	**6.7**
" cumulative from Jan. 1	7.1	14.2	23.4	33.7	43.5	52.7	61.0	69.5	77.7	86.3	93.3	100.0
Cleveland, Ohio	**7.5**	**6.5**	**8.3**	**9.2**	**9.6**	**9.5**	**9.0**	**8.9**	**8.4**	**8.7**	**7.4**	**7.0**
" cumulative from Jan. 1	7.5	14.0	22.3	31.5	41.1	50.6	59.6	68.5	76.9	85.6	93.0	100.0
Columbus, Ohio	**7.2**	**6.9**	**9.0**	**9.9**	**9.9**	**9.8**	**9.0**	**8.7**	**8.2**	**8.2**	**6.8**	**6.4**
" cumulative from Jan. 1	7.2	14.1	23.1	33.0	42.9	52.7	61.7	70.4	78.6	86.8	93.6	100.0
Dallas, Tex.	**9.2**	**7.8**	**10.5**	**9.0**	**8.9**	**8.2**	**7.7**	**8.5**	**7.7**	**7.9**	**7.4**	**7.2**
" cumulative from Jan. 1	9.2	17.0	27.5	36.5	45.4	53.6	61.3	69.8	77.5	85.4	92.8	100.0
Denver, Colo.	**7.1**	**7.6**	**9.2**	**9.7**	**9.5**	**9.2**	**8.4**	**8.7**	**8.2**	**8.3**	**7.3**	**6.8**
" cumulative from Jan. 1	7.1	14.7	23.9	33.6	43.1	52.3	60.7	69.4	77.6	85.9	93.2	100.0
Des Moines, Iowa	**6.2**	**6.6**	**10.9**	**8.5**	**11.9**	**12.5**	**8.3**	**7.0**	**8.3**	**6.6**	**5.8**	**7.4**
" cumulative from Jan. 1	6.2	12.8	23.7	32.2	44.1	56.6	64.9	71.9	80.2	86.8	92.6	100.0
Detroit, Mich.	**7.8**	**7.2**	**8.6**	**8.6**	**9.3**	**9.2**	**8.5**	**8.8**	**8.2**	**8.8**	**7.8**	**7.2**
" cumulative from Jan. 1	7.8	15.0	23.6	32.2	41.5	50.7	59.2	68.0	76.2	85.0	92.8	100.0
Duluth, Minn.	**4.3**	**4.3**	**5.8**	**7.8**	**7.6**	**8.8**	**8.6**	**9.2**	**8.8**	**9.9**	**9.0**	**15.9**
" cumulative from Jan. 1	4.3	8.6	14.4	22.2	29.8	38.6	47.2	56.4	65.2	75.1	84.1	100.0
Flint, Mich.	**7.0**	**7.2**	**9.2**	**10.7**	**11.0**	**8.3**	**8.4**	**9.1**	**8.8**	**8.2**	**6.6**	**5.5**
" cumulative from Jan. 1	7.0	14.2	23.4	34.1	45.1	53.4	61.8	70.9	79.7	87.9	94.5	100.0
Hartford, Conn.	**6.5**	**5.5**	**6.9**	**8.6**	**10.1**	**9.8**	**9.3**	**9.0**	**9.1**	**9.4**	**8.7**	**7.1**
" cumulative from Jan. 1	6.5	12.0	18.9	27.5	37.6	47.4	56.7	65.7	74.8	84.2	92.9	100.0
Houston, Tex.	**8.6**	**8.5**	**10.2**	**9.4**	**9.3**	**8.0**	**7.9**	**8.1**	**8.2**	**7.8**	**6.9**	**7.1**
" cumulative from Jan. 1	8.6	17.1	27.3	36.7	46.0	54.0	61.9	70.0	78.2	86.0	92.9	100.0
Indianapolis, Ind.	**7.8**	**8.7**	**8.8**	**9.3**	**8.8**	**8.7**	**8.4**	**8.4**	**7.9**	**8.4**	**7.5**	**7.3**
" cumulative from Jan. 1	7.8	16.5	25.3	34.6	43.4	52.1	60.5	68.9	76.8	85.2	92.7	100.0
Kansas City, Mo.	**7.5**	**6.5**	**8.6**	**8.6**	**8.8**	**9.9**	**8.5**	**9.9**	**8.7**	**8.3**	**7.7**	**7.0**
" cumulative from Jan. 1	7.5	14.0	22.6	31.2	40.0	49.9	58.4	68.3	77.0	85.3	93.0	100.0
Los Angeles, Calif.	**8.6**	**8.1**	**9.8**	**9.4**	**8.9**	**8.7**	**8.2**	**8.3**	**7.3**	**8.1**	**7.3**	**7.3**
" cumulative from Jan. 1	8.6	16.7	26.5	35.9	44.8	53.5	61.7	70.0	77.3	85.4	92.7	100.0
Miami, Fla.	**8.1**	**7.9**	**11.2**	**9.3**	**10.4**	**9.0**	**8.5**	**6.7**	**6.7**	**6.9**	**7.2**	**8.1**
" cumulative from Jan. 1	8.1	16.0	27.2	36.5	46.9	55.9	64.4	71.1	77.8	84.7	91.9	100.0
Milwaukee, Wis.	**7.3**	**6.9**	**7.9**	**9.1**	**8.8**	**10.3**	**8.8**	**9.1**	**8.5**	**9.0**	**7.3**	**7.0**
" cumulative from Jan. 1	7.3	14.2	22.1	31.2	40.0	50.3	59.1	68.2	76.7	85.7	93.0	100.0
Minneapolis, Minn.	**3.7**	**3.8**	**5.8**	**8.4**	**10.0**	**8.8**	**7.9**	**9.0**	**8.1**	**10.2**	**9.1**	**15.2**
" cumulative from Jan. 1	3.7	7.5	13.3	21.7	31.7	40.5	48.4	57.4	65.5	75.7	84.8	100.0
New York, N. Y.	**8.5**	**7.6**	**9.3**	**9.0**	**10.0**	**9.4**	**8.5**	**7.3**	**7.2**	**7.4**	**7.3**	**8.5**
" cumulative from Jan. 1	8.5	16.1	25.4	34.4	44.4	53.8	62.3	69.6	76.8	84.2	91.5	100.0
Oklahoma City, Okla.	**8.9**	**8.6**	**9.6**	**8.3**	**8.6**	**9.0**	**7.7**	**8.2**	**7.3**	**8.1**	**6.8**	**8.9**
" cumulative from Jan. 1	8.9	17.5	27.1	35.4	44.0	53.0	60.7	68.9	76.2	84.3	91.1	100.0
Philadelphia, Pa.	**8.0**	**6.6**	**8.3**	**8.1**	**9.3**	**8.9**	**8.7**	**8.9**	**6.4**	**9.5**	**7.7**	**9.6**
" cumulative from Jan. 1	8.0	14.6	22.9	31.0	40.3	49.2	57.9	66.8	73.2	82.7	90.4	100.0
Pittsburgh, Pa.	**7.6**	**6.7**	**8.4**	**10.4**	**9.9**	**9.2**	**8.7**	**7.9**	**7.2**	**8.7**	**7.3**	**8.0**
" cumulative from Jan. 1	7.6	14.3	22.7	33.1	43.0	52.2	60.9	68.8	76.0	84.7	92.0	100.0
Portland, Oreg.	**8.9**	**6.0**	**8.7**	**7.8**	**10.4**	**10.0**	**9.5**	**7.8**	**9.3**	**7.1**	**5.9**	**8.6**
" cumulative from Jan. 1	8.9	14.9	23.6	31.4	41.8	51.8	61.3	69.1	78.4	85.5	91.4	100.0
St. Louis, Mo.	**7.4**	**6.9**	**9.0**	**9.0**	**8.9**	**9.3**	**8.7**	**8.7**	**8.4**	**8.8**	**7.7**	**7.2**
" cumulative from Jan. 1	7.4	14.3	23.3	32.3	41.2	50.5	59.2	67.9	76.3	85.1	92.8	100.0
San Antonio, Tex.	**8.5**	**8.1**	**9.8**	**9.0**	**8.4**	**8.2**	**8.7**	**8.8**	**8.0**	**7.9**	**7.5**	**7.1**
" cumulative from Jan. 1	8.5	16.6	26.4	35.4	43.8	52.0	60.7	69.5	77.5	85.4	92.9	100.0
San Francisco, Calif.	**7.9**	**7.9**	**9.3**	**9.3**	**8.7**	**8.4**	**8.6**	**8.2**	**8.4**	**8.2**	**7.6**	**7.5**
" cumulative from Jan. 1	7.9	15.8	25.1	34.4	43.1	51.5	60.1	68.3	76.7	84.9	92.5	100.0
Seattle, Wash.	**7.8**	**7.7**	**10.1**	**9.5**	**9.5**	**8.5**	**8.1**	**8.6**	**7.8**	**8.2**	**7.4**	**6.8**
" cumulative from Jan. 1	7.8	15.5	25.6	35.1	44.6	53.1	61.2	69.8	77.6	85.8	93.2	100.0
South Bend, Ind.	**8.3**	**8.1**	**9.5**	**9.3**	**10.2**	**8.9**	**8.9**	**8.2**	**7.4**	**7.6**	**7.2**	**6.4**
" cumulative from Jan. 1	8.3	16.4	25.9	35.2	45.4	54.3	63.2	71.4	78.8	86.4	93.6	100.0
Springfield, Ohio	**8.5**	**8.0**	**9.9**	**9.2**	**8.3**	**8.1**	**8.8**	**9.7**	**7.5**	**8.2**	**6.6**	**7.2**
" cumulative from Jan. 1	8.5	16.5	26.4	35.6	43.9	52.0	60.8	70.5	78.0	86.2	92.8	100.0
Syracuse, N. Y.	**7.7**	**7.2**	**7.7**	**8.6**	**11.1**	**8.6**	**9.4**	**9.1**	**7.7**	**8.6**	**7.5**	**6.8**
" cumulative from Jan. 1	7.7	14.9	22.6	31.2	42.3	50.9	60.3	69.4	77.1	85.7	93.2	100.0
Tulsa, Okla.	**7.4**	**7.8**	**10.3**	**8.2**	**8.5**	**8.5**	**7.9**	**8.0**	**8.0**	**7.7**	**7.3**	**10.4**
" cumulative from Jan. 1	7.4	15.2	25.5	33.7	42.2	50.7	58.6	66.6	74.6	82.3	89.6	100.0
Washington, D. C.	**7.8**	**7.8**	**9.3**	**8.9**	**9.5**	**8.9**	**8.0**	**7.8**	**8.0**	**8.4**	**7.8**	**7.8**
" cumulative from Jan. 1	7.8	15.6	24.9	33.8	43.3	52.2	60.2	68.0	76.0	84.4	92.2	100.0
Westchester Co., N. Y.	**7.7**	**6.6**	**8.7**	**9.4**	**9.0**	**9.2**	**9.2**	**8.2**	**8.4**	**8.6**	**7.5**	**7.5**
" cumulative from Jan. 1	7.7	14.3	23.0	32.4	41.4	50.6	59.8	68.0	76.4	85.0	92.5	100.0

PREWAR SEASONAL PATTERNS ARE RETURNING
(cont. from page 62)

tion into a seasonal pattern, but by arbitrarily moving the points shown by the solid red line ahead five months, a more natural looking pattern is obtained. This is purely an arbitrary adjustment made by us because no other type of correction is possible from the data available. The dotted red line on the New York and Brooklyn charts shows how this adjustment works out. It will also be noticed that the following cities show very even patterns both in construction activity and real estate activity: Dallas, Houston, San Antonio, Los Angeles, San Francisco, Tulsa and Oklahoma City.

We believe that the construction activity pattern is more susceptible to weather conditions than is the real estate activity pattern. Due partly to the very severe weather which still prevails over a large part of the country, a later start on construction projects is expected during 1949.

To summarize the 1949 residential construction outlook - we anticipate fewer high-priced homes to be started during this year. The bad weather and apprehension over recent recessionary trends in the commodity and stock markets indicate that the 1949 construction volume will be lower than 1948, both in dollar volume and in the number of units started. The spring building will get under way somewhat later than usual over most of the country, and the industry will concentrate more on lower-cost units. Due to rent control legislation that will probably be enacted we expect the percentage of rental units started by private enterprise to be less than the percentage achieved in 1948.

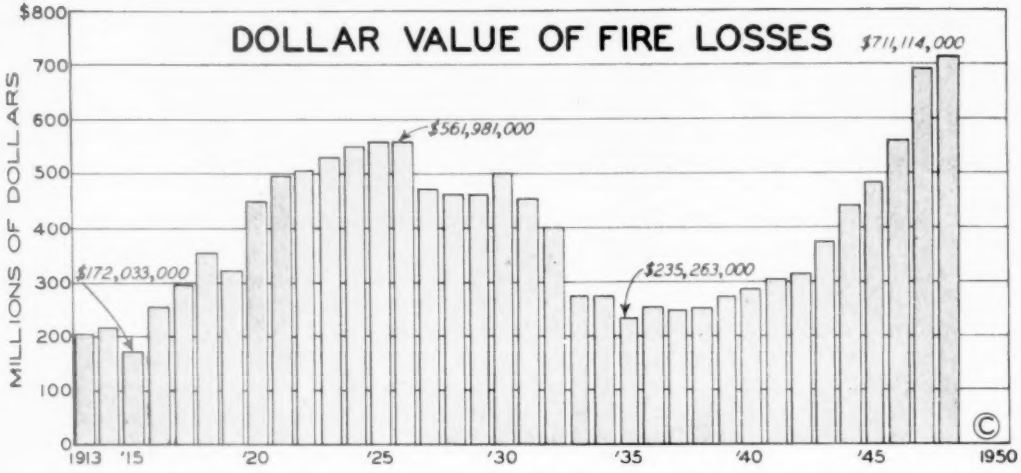
In order to give our clients an indication of the prewar monthly real estate activity in the 36 cities we have prepared the table on page 66. This table shows the percentage of real estate transfers recorded each month, and the cumulative totals. To illustrate: in Atlanta, 7.5% of the activity occurred in January; 7.4% occurred in February; and 9.8% in March. This would indicate that the average prewar real estate sales organization in Atlanta would have recorded 24.7% of its year's business by the end of March. Consulting the table, we find that by the end of June this same average organization would have closed 53% of its yearly sales. The percentages shown in this table allow for the expected continued decline in real estate activity.

It is hoped that this table may enable our clients who are real estate brokers to measure their progress through the year and by consulting their past sales records to see how close their performance compared with the average. It must be remembered that these figures are based on the number of transfers and not on the amount of money involved.

When the prewar seasonal patterns return, the average real estate broker can expect to do each month that portion of his yearly business that is indicated by the table. By the same reasoning, he can estimate at the end of each quarter year approximately how much of his yearly volume he has accomplished. Unfortunately, the same inconsistencies that show up in the charts on Tulsa, Oklahoma City, Duluth, Minneapolis and Philadelphia are present in the figures shown in the table. For this reason the data on these cities may be less usable than the information on the other 31 cities.

FIRE LOSSES IN 1948 REACH NEW PEAK

THE National Board of Fire Underwriters estimates that losses from fire reached an all-time high of $711,114,000 in 1948. During the 10 years 1937 through 1946, 32% of the property loss resulted from fires caused by factors usually under the control of the owner or management of the property. These causes were: Misuse of electricity; overheated or defective flues, chimneys, stoves, furnaces and boilers; hot ashes and coals; spontaneous combustion; sparks arising from combustion; and rubbish and litter. The chart below shows the annual dollar volume of fire losses in the United States from 1913 through 1948.



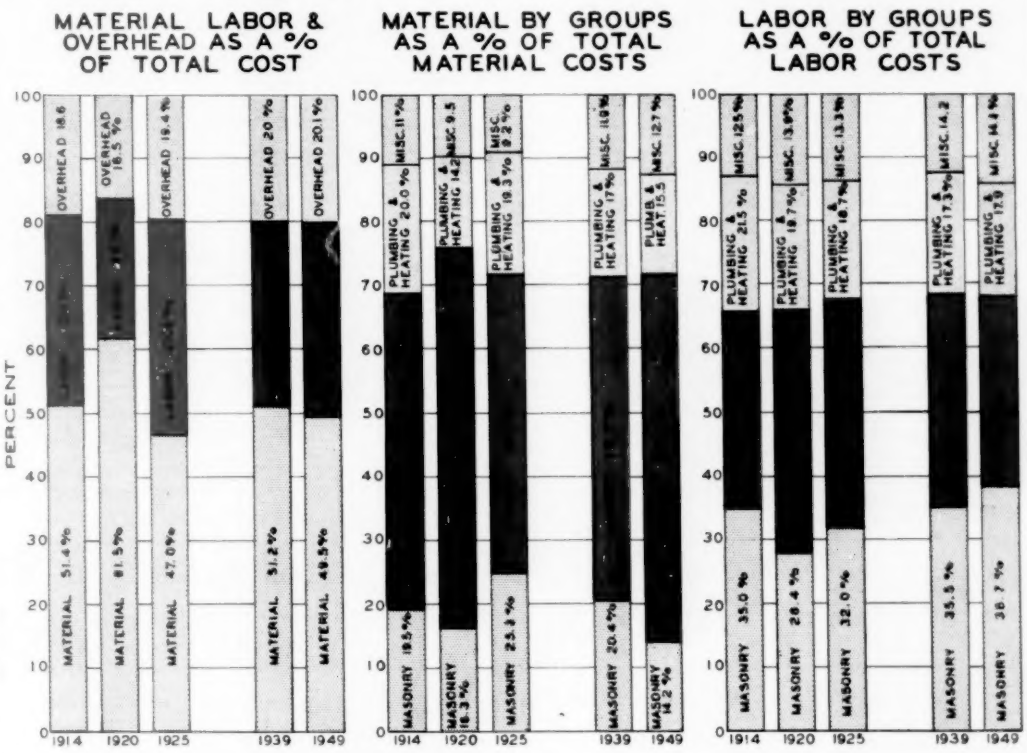
WHICH ARE THE HIGHER CONSTRUCTION COSTS?

THE charts and tables on page 69 appeared last in the April 1947 issue of The Real Estate Analyst. Since that time there have been no startling changes in the various percentages. Perhaps the most noteworthy change has occurred in the drop in the percentage of material costs caused by lumber and lumber products. In 1947, lumber and lumber products accounted for 62.1% of the material bill for our standard six-room frame house, and 30.2% of the house's total cost. The 1949 percentage has dropped to 57.6% of the total material cost, and 28.5% of the house's total cost. Although the percentage spent for masonry and heating and plumbing materials has increased somewhat since 1947, the percentages spent on these materials in 1949 are still lower than during most other years.

Even on a frame house, the carpentry work appears to cost less than the masonry work. This is because we include the tile work in the bathrooms and the excavation and pouring of the foundation and basement floor in the "masonry" account. Actual bricklaying takes very little of the money necessary to build our frame house. Since 1947 the percentage of the labor cost for installing plumbing and heating equipment has also increased, from 17.2% of the total labor cost to 17.9%.

In 1947 carpentry labor accounted for 34.2% of the total labor cost and 10.8% of the total building cost. In 1949 this percentage dropped to 29.3% and 8.9%, respectively.

PERCENTAGE RELATIONSHIPS IN CONSTRUCTION COSTS OF STANDARD SIX ROOM FRAME HOUSE



MATERIAL, LABOR & OVERHEAD AS A PERCENTAGE OF TOTAL COST

Year	Material	Labor	Overhead
1914	51.4	30.0	18.6
1920	61.5	22.0	16.5
1925	47.0	33.6	19.4
1939	51.2	28.8	20.0
1949	49.5	30.4	20.1

MATERIAL BY GROUPS AS A PERCENTAGE OF TOTAL MATERIAL COSTS

Year	A	B	C	D
1914	19.5	49.5	20.0	11.0
1920	16.3	60.0	14.2	9.5
1925	25.1	46.4	19.3	9.2
1939	20.4	50.7	17.0	11.9
1949	14.2	57.6	15.5	12.7

LABOR BY GROUPS AS A PERCENTAGE OF TOTAL LABOR COSTS

Year	A	B	C	D
1914	35.0	31.0	21.5	12.5
1920	28.4	38.0	19.7	13.9
1925	32.0	36.0	18.7	13.3
1939	35.5	33.0	17.3	14.2
1949	38.7	29.3	17.9	14.1

MATERIAL, LABOR, OVERHEAD & PROFIT AS A PERCENTAGE OF TOTAL COST

	A		B		C		D		Over-head	Profit
Year	M	L	M	L	M	L	M	L		
1914	10.1	10.5	25.5	9.3	10.3	6.4	5.6	3.7	9.8	8.8
1920	10.1	6.4	36.8	8.4	8.8	4.3	5.7	3.0	7.7	8.8
1925	11.7	10.9	21.6	12.4	9.0	6.2	4.3	4.5	10.6	8.8
1939	10.4	10.2	26.1	9.5	8.7	5.0	6.1	4.1	11.3	8.6
1949	7.0	11.7	28.5	8.9	7.7	5.5	6.3	4.3	11.0	9.1

REAL ESTATE TRANSFERS IN PRINCIPAL CITIES

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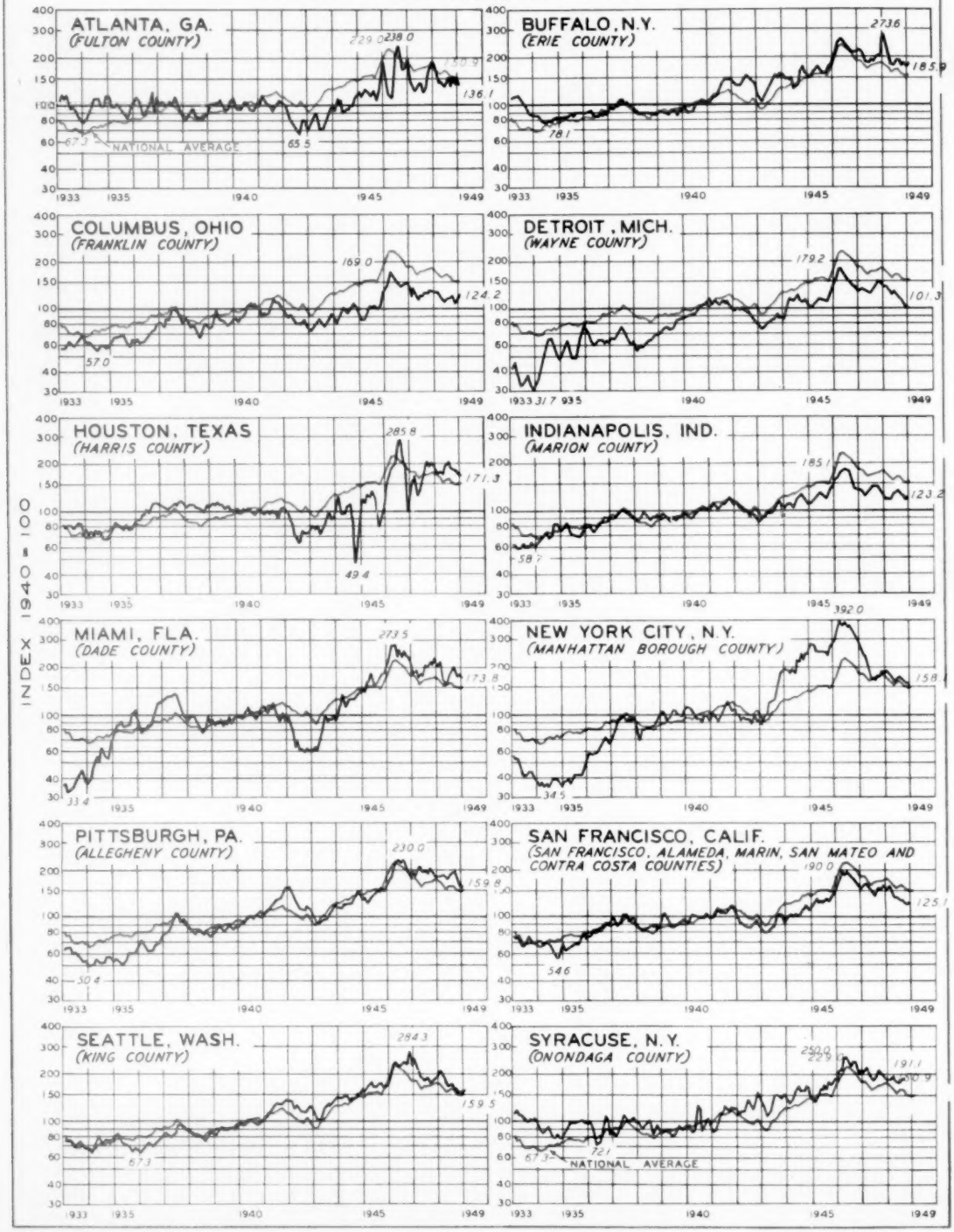

REAL ESTATE TRANSFERS IN PRINCIPAL CITIES

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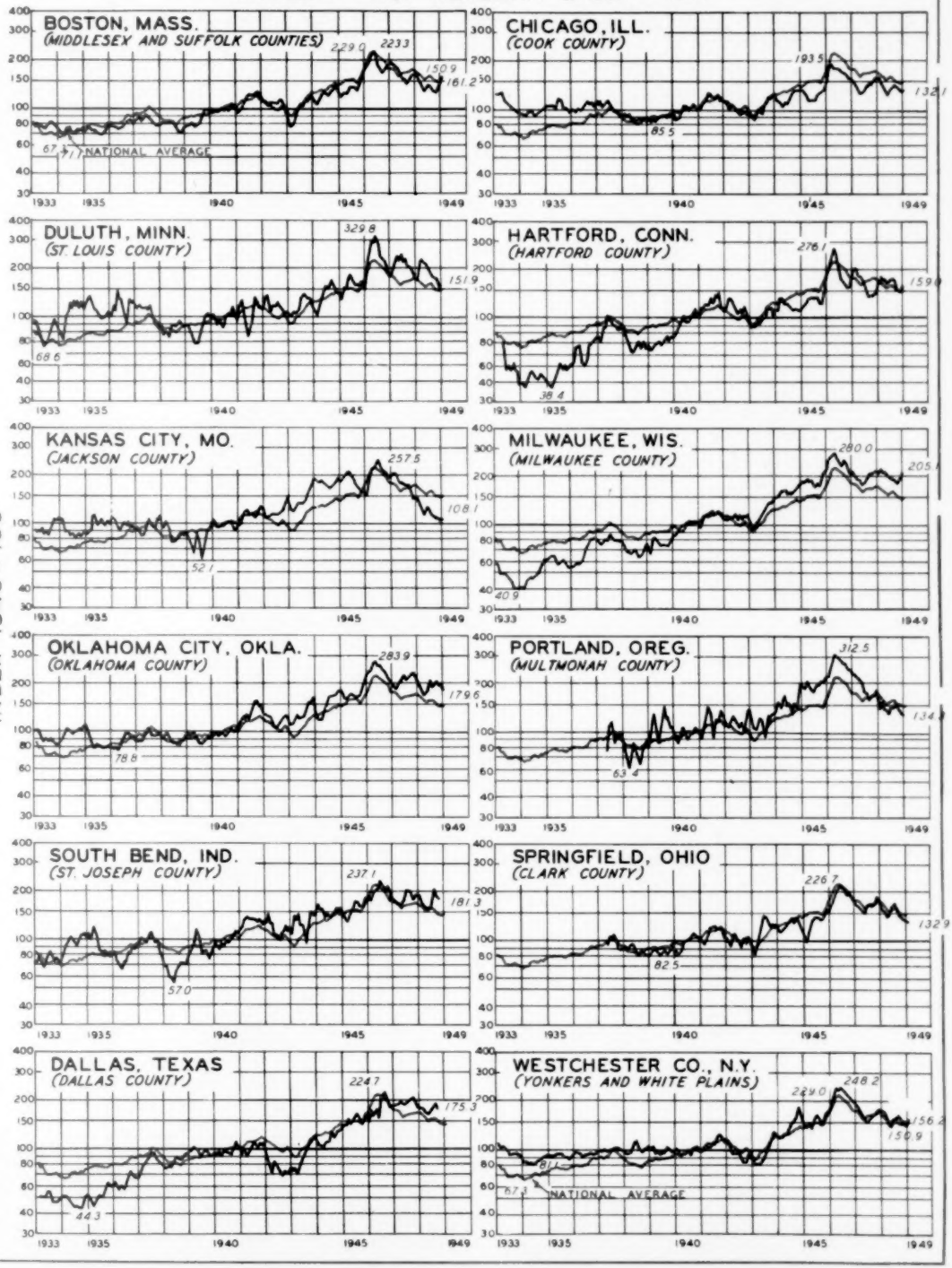

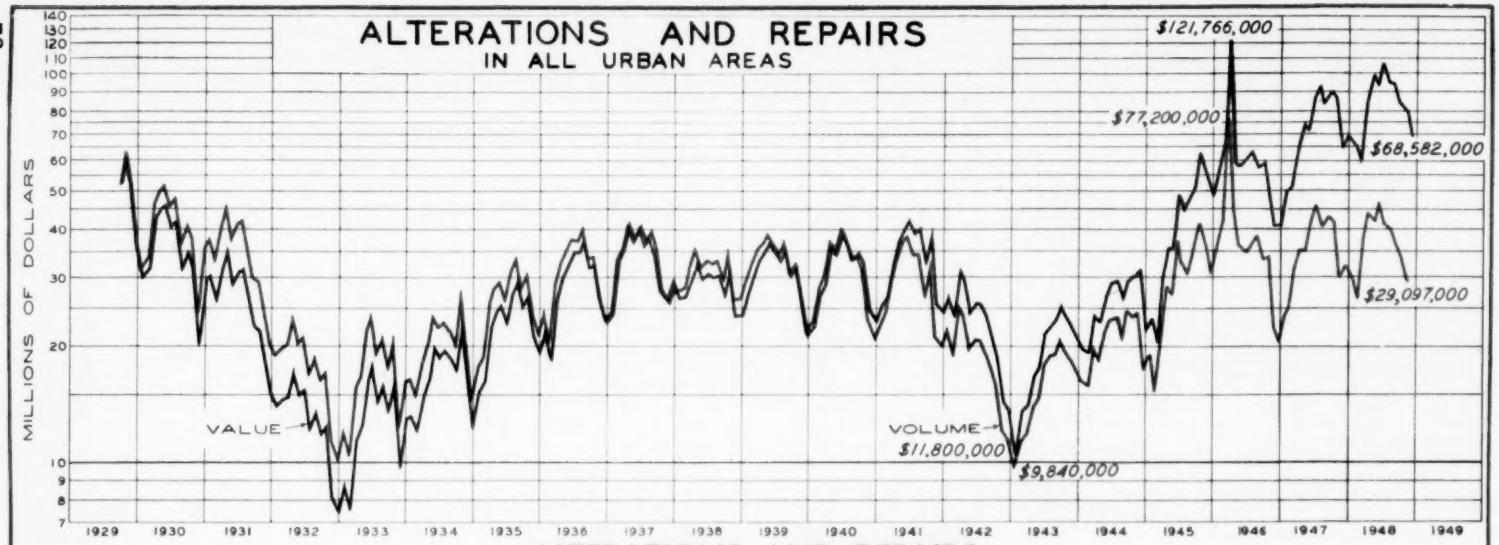

ALTERATIONS AND REPAIRS

THE chart above shows the dollar value and the estimated physical volume of alterations and repairs from September 1929 to the present. The line showing volume is the value line corrected for changing construction costs. It should be pointed out that the slump which occurred through 1941-1945 was a result of the wartime restrictions imposed on building materials.

Perhaps the most significant factor affecting alterations and repairs is their relative stability when compared to the construction cycle. While the construction cycle is afflicted with enormous swings that at times vary as much as 1000%, the volume of alterations and repair work seldom varies over 200%. It would seem wise for building contractors and material dealers to direct their operations and selling efforts toward this market as construction activity starts slowing down.

In a few years a chart of this type may be very useful in forecasting increased building activity. It seems logical to believe that upon emerging from a depression, the volume of alterations and repairs would pick up at a faster rate than would building activity (the construction of completely new buildings). In fact, this tendency is indicated by the rather limited information at hand.

At present, usable national data go back only to 1929. This comparatively brief span of years does not constitute a long enough period to definitely establish a reliable cycle. If it can be found that the pick-up in alterations and repairs "leads" the pick-up in construction activity by a certain definite period, it should be very helpful to everyone interested in the building or building materials fields.